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June 6, 2007

VIA ELECTRONIC FILING & HAND DELIVERED ORIGINAL

Mr. Charles Terreni Chief Clerk of the Commission Public Service Commission of South Carolina Synergy Business Park, Saluda Building 101 Executive Center Drive Columbia, SC 29210

Re:

Time Warner Telecom of South Carolina - Xspedius Merger

Docket No. 2007-132-C Our File No. 20158-0008

Dear Mr. Terreni:

Time Warner Telecom of South Carolina LLC, Xspedius Management Co. of Charleston, LLC; Xspedius Management Co. of Spartanburg, LLC; Xspedius Management Co. of Columbia, LLC; Xspedius Management Co. of Greenville, LLC; and Xspedius Management Co. Switched Services, LLC ("Applicants") enclose for filing a Motion for Expedited Review of their pending application. Attached to the motion is the verified testimony of Ms. Carolyn Ridley. Please date-stamp the extra copy provided as proof of filing and return it with our courier. If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, McFadden & Moore, P.C.

Bonnie D. Shealy

/bds enclosure

cc/enc:

Ms. Carolyn Ridley, Vice President - Regulatory Affairs (via email)

Ms. Pamela Sherwood, Vice President – Regulatory Affairs (via email) C. Lessie Hammonds, Staff Attorney ORS (via email & U.S. Mail)

David F. Butler, Hearing Examiner PSC (via email & U.S. Mail)

THIS DOCUMENT IS AN EXACT DUPLCIATE, WITH THE EXCEPTION OF THE FORM OF THE SIGNATURE, OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

BEFORE THE PUBLIC SERVICE COMMISION OF SOUTH CAROLINA

Docket No. 2007-132-C

In re:)
)
Application of Time Warner Telecom of)
South Carolina, LLC; Xspedius) MOTION FOR EXPEDITED
Management Co. of Charleston, LLC;) REVIEW OF APPLICATION
Xspedius Management Co. of Spartanburg,)
LLC; Xspedius Management Co. of	j
Columbia, LLC; Xspedius Management Co.)
of Greenville, LLC; and Xspedius	j
Management Co. Switched Services, LLC	j
for Approval to Transfer Assets, of)
Corporate Internal Restructuring, and for	j –
Name Change)
)

The Applicants Time Warner Telecom of South Carolina LLC, ("TW Telecom-SC") Xspedius Management Co. of Charleston, LLC; Xspedius Management Co. of Spartanburg, LLC; Xspedius Management Co. of Columbia, LLC; Xspedius Management Co. of Greenville, LLC; and Xspedius Management Co. Switched Services, LLC (combined "Xspedius Companies"), hereby move pursuant to 26 S.C. Regs. 103-829 and other applicable rules of practice and procedure of the Public Service Commission of South Carolina ("Commission") that the hearing requirement to approve the transfer of certain assets from the Xspedius Companies to TW Telecom-SC be waived. In support of this motion, the Applicants would show the following:

1. As described in detail in the Application and testimony of Ms. Ridley, the Applicants seek the Commission's approval to transfer certain assets and assume certain liabilities relating to the transfer of the Xspedius Companies to TW Telecom-SC. The Xspedius

Companies' customer base will continue to receive the same high quality service, at the same rates, and under the same terms and conditions.

- 2. The Applicants published the notice of filing of the application as required by the Commission. The deadline for filing petitions to intervene in the proceeding was May 21, 2007, and no comments or petitions to intervene have been filed.
- 3. The Office of Regulatory Staff does not oppose the application or this motion. Since no intervenors filed petitions in the proceeding, the Applicants respectfully request that the Commission waive the hearing requirement and process this application without a formal hearing. The South Carolina Administrative Procedures Act provides the Commission with flexibility in regard to hearings for contested cases. "Unless precluded by law, informal disposition may be made of any contested case by stipulation, agreed settlement, consent order or default." S.C. Code § 1-23-320(f).
- 4. Attached to this motion as Exhibit 1 is the verified testimony of Carolyn Ridley, Vice President Regulatory Affairs, Southeast Region on behalf of Time Warner Telecom of South Carolina, LLC. This testimony further describes the asset transfer and its negligible effect on South Carolina customers.

WHEREFORE, the Applicants respectfully request that the Commission waive its hearing requirement and approve the transfer of assets.

Dated this 6 day of June, 2007.

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Attorneys for Time Warner Telecom of South Carolina LLC, Xspedius Management Co. of Charleston, LLC; Xspedius Management Co. of Spartanburg, LLC; Xspedius Management Co. of Columbia, LLC; Xspedius Management Co. of Greenville, LLC; and Xspedius Management Co. Switched Services, LLC

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2007-132-C

In re:)
)
Application of Time Warner Telecom of)
South Carolina, LLC; Xspedius)
Management Co. of Charleston, LLC;)
Xspedius Management Co. of Spartanburg,	ĺ
LLC; Xspedius Management Co. of	ĺ
Columbia, LLC; Xspedius Management Co.	ĺ
of Greenville, LLC; and Xspedius	ĺ
Management Co. Switched Services, LLC	ĺ
for Approval to Transfer Assets, of	ĺ
Corporate Internal Restructuring, and for	ĺ
Name Change	ĺ
	ĺ

TESTIMONY OF

CAROLYN RIDLEY

- 1 Q. Please state your name, title and business address for the record.
- 2 A. My name is Carolyn Ridley. I am Vice President of Regulatory Affairs, Southeast Region
- for Time Warner Telecom. My business address is 555 Church Street, Suite 2300,
- Nashville, Tennessee 37219. My telephone number is (615) 376-6404, facsimile is (615)
- 5 376-6405, email address is <u>Carolyn.Ridley@twtelecom.com</u>.
- 6 Q. What are your responsibilities as Vice President of Regulatory Affairs?
- 7 A. I am responsible for legislative and regulatory affairs for Time Warner's
- 8 telecommunications operations in the southeast region which includes South Carolina,
- 9 North Carolina, Florida, Tennessee, Mississippi, Georgia, and Kentucky.
- 10 Q. Please describe your background and experience.
- 11 A. I joined Time Warner Telecom in January 1995. I have extensive managerial and
- regulatory experience in the telecommunications industry. I worked with AT&T Corp.
- from 1981 to 1994 in various managerial and regulatory positions, including National
- 14 Account Manager, Senior Project Manager/NETS (National Emergency
- Telecommunications Service), State Manager for Government Affairs in Kentucky, and
- 16 Executive Assistant to the President of Network Systems Affiliate Customer Business
- 17 Unit. I received a M.B.A. degree in 1989 from Marymount University in Arlington,
- 18 Virginia, and a B.S. degree in 1981 from George Mason University in Fairfax, Virginia.
- 19 Q. Are you familiar with the application submitted to the Commission?
- 20 A. Yes.
- 21 Q. What is the purpose or your testimony?
- 22 The purpose of my testimony is to describe the proposed transaction whereby Time
- Warner Telecom of South Carolina LLC, ("TW Telecom-SC") will be assigned, as part
- of an internal restructuring, certain assets, including the customer base, of Xspedius
- 25 Management Co. of Charleston, LLC; Xspedius Management Co. of Spartanburg, LLC;
- 26 Xspedius Management Co. of Columbia, LLC; Xspedius Management Co. of Greenville,

- 1 LLC; (collectively "Xspedius Operating Entities") and Xspedius Management Co.
- 2 Switched Services, LLC ("Xspedius Switched Services") (combined "Xspedius
- 3 Companies"), all subsidiaries of Time Warner Telecom, Inc.
- 4 Q. Do you intend to incorporate by reference any documents into your testimony?
- 5 A. Yes. I wish to incorporate by reference the underlying Application filed in this proceeding and its associated exhibits.
- 7 Q. Please describe TW Telecom-SC's corporate structure.
- 8 A. Time Warner Telecom of South Carolina, LLC ("TW Telecom-SC") is a limited liability
- 9 company organized under the laws of the State of Delaware. The sole member of Time
- Warner Telecom-SC is Time Warner Telecom Holdings Inc which is 100% owned by
- Time Warner Telecom, Inc., a Delaware corporation. Time Warner Telecom, Inc.
- provides voice and data networking solutions for business customers by integrating data,
- dedicated Internet access, and local and long distance services for long distance carriers,
- 14 wireless companies, incumbent local exchange carriers, and organizations in the
- healthcare, finance, higher education, manufacturing and hospitality industries. Time
- Warner Telecom is authorized by the Federal Communications Commission ("FCC") to
- provide interstate and international telecommunications services. Through its
- subsidiaries, it provides intrastate and interexchange and competitive local exchange
- 19 services in 33 states.
- 20 Q. Is TW Telecom-SC certified to provide telecommunications services in South
- 21 Carolina?
- 22 A. Yes, TW Telecom-SC as authorized to provide local and interexechange
- 23 telecommunications services in South Carolina in Docket No. 2000-505-C, Order Nor.
- 24 2001-93 and Docket No. 2004-311-C, Order No. 2005-77.

- Q. Please describe the Xspedius Companies' corporate structure and certification
 status.
- A. The Xspedius Companies are wholly owned by Xspedius Communications, LLC which is also wholly owned by Time Warner Telecom, Inc. The Xspedius Companies are limited liability companies organized under the laws of the State of Delaware on June 3, 2002. They were certified to provide local and interexchange services in South Carolina in Order No. 2002-622 in Docket Nos. 2002-226-C, 2002-227-C, 2002-228-C, 2002-229-C, and 2002-230-C. The Xspedius Companies provide local, long distance, integrated, and internet access solutions to small and medium-sized business customers in 20 states in the
- 11 Q. Can you briefly outline the pro forma reorganization for which the Applicants seek
- 13 Last year Xspedius Communications, LLC ("Xspedius Communications"), parent A. 14 company of the Xspedius Companies, and Time Warner Telecom, Inc., parent company 15 of TW Telecom-SC merged. As a result, Xspedius Communications became a direct 16 wholly owned subsidiary of Time Warner Telecom, Inc. The Commission was notified 17 of the merger by letter in August 2006. Time Warner Telecom Inc. now intends to consolidate its operations; and through this application, we seek approval to transfer the 18 assets and operations from the Xspedius Companies to TW Telecom-SC. Time Warner 19 Telecom would remain the corporate parent with one operating subsidiary in South 20
- Q. What will the result of these transactions be?

Carolina, TW Telecom-SC.

Southern and Southwestern United States.

Commission approval?

10

12

21

A. TW Telecom-SC will obtain the customer base and all telecommunications assets and operations of the Xspedius Companies in the State of South Carolina. TW Telecom-SC

- will provide service to the current customers of TW Telecom-SC and the Xspedius
 Companies.
- 3 Q. What impact will this transaction have on South Carolina customers?
- 4 A. Customers will continue to receive the same competitively priced, quality, affordable
- 5 telecommunications services that they presently receive from the Xspedius Companies.
- The transaction will be virtually transparent to the Xspedius Companies' customers in
- 7 terms of the services that they receive.
- 8 Q. What impact will this transaction have on interconnection agreements with other
- 9 carriers in South Carolina?
- 10 A. In regard to the impact of the merger on interconnection agreements with other carriers,
- the merger will not adversely affect any carrier's ability to recover any amounts that are
- legitimately owed to it. Since TW Telecom-SC is changing the entity structure,
- companies will be notified pursuant to the interconnection agreements and Xspedius
- 14 liabilities will be assumed by a creditworthy Time Warner Telecom entity, TW Telecom -
- 15 SC.

16

- Q. What notice will TW Telecom-SC provide to South Carolina customers?
- 17 A. TW Telecom will provide written notice to the affected customers at least thirty (30) days
- prior to the transfer informing them of the proposed transaction and giving them an
- opportunity to switch to another service provider. The notice will be sent in compliance
- with applicable Federal Communications Commission ('FCC") requirements for
- 21 changing a customer's presubscribed carrier. Attached as Exhibit A is a proposed draft
- 22 notice similar to the one which will be provided to the customers of the Xspedius
- 23 Companies.

- 1 Q. What do the Applicants propose to do with any tariffs on file with the Commission?
- 2 A. TW Telecom-SC will file a revised TW Telecom-SC tariff to establish rates terms, and
- 3 conditions identical to those in the Xspedius Companies's tariffs, thus providing a
- 4 seamless transition for existing customers of the Xspedius Companies. The customer
- 5 contracts with Xspedius Companies will be fully honored by TW Telecom-SC.
- 6 Q. Will the Xspedius Companies continue to operate once the transfer is
- 7 consummated?
- 8 A. Once the transfer of the Xspedius Companies' customers to TW Telecom-SC is
- 9 complete, the certificates of public convenience and necessity of the Xspedius Companies
- 10 can be cancelled.
- 11 Q. Will TW Telecom-SC continue to support the State Universal Service Fund and
- 12 Interim LEC Fund?
- 13 A. The merged entity will continue to support the State Universal Service Fund, Interim
- 14 LEC Fund and comply with all other regulatory and reporting requirements. Until the
- proposed transaction is consummated, the Xspedius Companies will file separate reports
- as required by the Commission's regulations. Once the transaction is complete, TW
- 17 Telecom-SC will file the required reports consolidating and combining the information
- for TW Telecom-SC and the Xspedius Companies.
- 19 Q. Please explain the proposed name change.
- 20 A. At the time the application was filed, the license agreement which allows Time Warner
- Telecom to use the name "Time Warner" was scheduled to expire in early July 2007.
- Time Warner Telecom intends to re-brand and distinguish itself with a new name.
- However, since filing the application, Time Warner Telecom discovered a potential

conflict regarding the proposed name it intended to use. Due to these circumstances, Time Warner Inc. extended its license agreement through July 2008 to allow Time Warner Telecom additional time to determine a new company name. On May 4, 2007, counsel for TW Telecom-SC filed an amendment to the application requesting that the request for approval of the name change be withdrawn at this time.

The merged companies will continue to use the name Time Warner Telecom of South Carolina LLC until the new name is determined and TW Telecom-SC has obtained the necessary approvals. TW Telecom-SC will then file the necessary documents with both the Delaware and South Carolina Secretary of State's offices to implement the name change. It will also file a separate request with the Commission seeking approval to use the new name. TW Telecom-SC's customers will also be notified of the new company name at that time.

Q. How is approval of these transactions in the public interest?

A.

The consolidation of the operations of subsidiary companies will enable Time Warner Telecom Inc. to operate more efficiently and effectively. It will reduce legal, accounting and tax administrative burdens. It will also decrease the administrative oversight burden imposed on the Office of Regulatory Staff and the Commission by decreasing the number of certificated carriers.

TW Telecom-SC is fully qualified to provide the same high quality telecommunications services to the Xspedius Companies' customers at the same prices. Therefore, from the perspective of affected customers, the transfer is, and will be, largely transparent, leaving unaltered the quality of service that they expect. In addition, the transfer will allow TW Telecom-SC to realize significant economies of scale, thereby

- 1 making it possible for TW Telecom-SC to introduce new products and services in the
- 2 State of South Carolina over time.
- 3 Q. Does this conclude your testimony?
- 4 A. Yes.

VERIFICATION

I, Carolyn Ridley, first being duly sworn upon oath, depose and say that I am authorized to represent Time Warner Telecom of South Carolina LLC and the Xspedius Companies; that I have read the above pre-file testimony and know the contents; that the contents are true and correct to the best of my knowledge and belief.

Time Warner Telecom of South Carolina LLC

Carolyn Ridley, Vice President Regulatory Affairs

Southeast Region

Subscribed and sworn to before me this

Sth day of June , 2007.

Sth day of June , 2007.

Notary Public for Kentucky
My Commission Expires: Oct. 17, 2009

DRAFTDear Customer:

AN IMPORTANT NOTICE REGARDING YOUR
TELECOMMUNICATION SERVICE FROM
XSPEDIUS MANAGEMENT CO. SWITCHED SERVICES, LLC
XSPEDIUS MANAGEMENT CO. OF CHARLESTON, LLC
XSPEDIUS MANAGEMENT CO. OF COLUMBIA, LLC
XSPEDIUS MANAGEMENT CO. OF GREENVILLE, LLC
XSPEDIUS MANAGEMENT CO. OF SPARTANBURG, LLC

Thank you for being a loyal customer of Xspedius Management Co. Switched Services, LLC, Xspedius Management Co. of Charleston, LLC, Xspedius Management Co. of Columbia, LLC, Xspedius Management Co. of Greenville, LLC, or Xspedius Management Co. of Spartanburg, LLC (collectively "Xspedius"). It has been our pleasure to provide you with quality telecommunications service.

As you know, Xspedius recently sold its South Carolina regulated telecommunications assets to Time Warner Telecom, Inc. We are pleased to now inform you that Time Warner Telecom, Inc. is consolidating all of its South Carolina regulated telecommunications assets into Time Warner Telecom of South Carolina LLC, a subsidiary of Time Warner Telecom, Inc. Following this consolidation, Xspedius will no longer provide telecommunications services in South Carolina. Your transition from Xspedius to Time Warner Telecom of South Carolina LLC for telecommunications services requires no action on your part.

The transfer of your service to Time Warner Telecom of South Carolina LLC will be invisible to you because Time Warner Telecom of South Carolina LLC will utilize the same facilities that currently serve your account. Moreover, there will be no change in the services you have ordered. The transfer of your services to Time Warner Telecom of South Carolina LLC will be seamless and without down time or modification to existing services or rates. This transfer requires no action on your part. The local account team who services your account today will continue to provide you the excellent service that you have experienced to date.

We believe that this new development will be good for your company. The vision, financial capital, and experience of Time Warner Telecom, Inc. will bring our customers innovation and excellent customer service. As your new service provider, Time Warner Telecom of South Carolina LLC will continue to provide you with the same telecommunications services you currently receive in accordance with the rates, terms and conditions of your existing contract or effective tariffs on file with the Public Service Commission of South Carolina. If in the future Time Warner Telecom of South Carolina LLC determines that rates, terms, or conditions require modification, it will follow the contract terms or the Public Service Commission of South Carolina rules regarding such changes, including, where required, written 30 day notice to customers. Xspedius and Time Warner Telecom, Inc. will continue to be responsible for the resolution of any complaints filed or otherwise raised until the consolidation is finalized.

If you do not wish to become a customer of Time Warner Telecom of South Carolina LLC, you may, in accordance with the terms of your contract, select another service provider within thirty days of the date of this letter. If you do not select another provider Time Warner Telecom of South Carolina LLC will automatically become your service provider effective thirty days from the date of this letter. You will not incur any charges for the change to Time Warner Telecom of South Carolina LLC. However, should you select another provider, you may incur additional charges. If you change providers, the terms and conditions of your Xspedius contract will still apply, including any applicable termination liability or change charges. Please be aware that you are responsible for paying all bills rendered to you by Xspedius during this transition. You may be subject to termination of your service in accordance with the terms of your contract and applicable Commission rules if you fail to pay your telephone bill.

If you do not want service from Time Warner Telecom of South Carolina LLC you must select a new provider as soon as possible. Otherwise, you need do nothing and your service will seamlessly transfer to Time Warner Telecom of South Carolina LLC.

Xspedius remains committed to providing you with excellent service during this period of transition. If you have any questions regarding this notice or your service, please call 1-800-937-7473. Time Warner Telecom of South Carolina LLC looks forward to meeting your communication needs including bundled packages of voice and data services, local phone service, Internet access, and managed networking solutions.

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NO. 2007-132-C

SERVICE

In Re:)
Application of Time Warner Telecom of South Carolina, LLC; Xspedius Management Co. of Charleston, LLC; Xspedius Management Co. of Spartanburg, LLC; Xspedius Management Co. of Columbia, LLC; Xspedius Management Co. of Greenville, LLC; and Xspedius Management Co. Switched Services, LLC for Approval to Transfer Assets, of Corporate Internal Restructuring,	CERTIFICATE OF CERTIFICATE OF CERTIFICATE OF CERTIFICATE OF
and for Name Change)

This is to certify that I, Leslie Allen, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **Motion for Expedited Review** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

C. Lessie Hammonds, Esquire Office of Regulatory Staff 1441 Main Street, Suite 300 Columbia, SC 29201

David F. Butler, Esquire Senior Counsel South Carolina Public Service Commission Synergy Business Park, Saluda Building 101 Executive Center Drive Columbia, SC 29210 Dated at Columbia, South Carolina this 6th day of June, 2007.

Reslei allen

Leslie Allen